



DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

*Administrator*

Washington, DC 20201

MAR 24 2006

Ms. Carol A. Herrmann  
Commissioner  
Alabama Medicaid Agency  
501 Dexter Avenue  
Post Office Box 5624  
Montgomery, AL 36103-5624

Donald E. Williamson, M.D.  
State Health Officer  
Alabama Department of Public Health  
Post Office Box 303017  
Montgomery, AL 36160-3017

Dear Ms. Herrmann and Dr. Williamson:

We are pleased to approve Alabama's uncompensated care pool (UCCP) plan for Hurricane Katrina evacuees submitted on October 28, 2005, under your Hurricane Katrina Multi-State section 1115 demonstration. The current Medicaid demonstration is approved as Project Number 11-W-00196/4, and the State Children's Health Insurance Program (SCHIP) demonstration is approved as Project Number 21-W-00022/4.

On September 22, 2005, the Centers for Medicare & Medicaid Services (CMS) approved Alabama's Hurricane Katrina Multi-State section 1115 demonstration. This approved demonstration allows Alabama to provide coverage to Hurricane Katrina evacuees and affected individuals and authorizes the State to use a UCCP.

In accordance with provisions of the enclosed plan, Alabama is authorized to reimburse providers that incurred uncompensated care costs for medically necessary services and medically necessary supplies for Katrina evacuees and affected individuals who do not have other coverage under Medicare, Medicaid, SCHIP, private insurance, or under State-funded health insurance programs. No payments may be made under the UCCP for an item or service that an evacuee or affected individual has received from an individual or organization as part of a public or private hurricane relief effort. The pool is approved for services received from August 24, 2005, through January 31, 2006. No payments shall be made from the pool for costs incurred outside of this time frame.

In accordance with the enclosed plan, an affected individual is an individual who resided in an individual assistance designation county or parish pursuant to section 408 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as declared by the

President as a result of Hurricane Katrina, and who continues to reside in the same State that such county or parish is located. An evacuee is an affected individual who has been displaced to your State.

As we work to recover from one of the worst natural disasters in the history of the United States, maintaining the integrity of the UCCP is critical to our responsibility to the American public. Therefore, expenditures from the pool will be subject to audit to further ensure program integrity. The State is required to adhere to its approved UCCP plan and perform further due diligence in order to deter fraud and abuse.

The enclosed approved plan includes the minimum methodologies the State must utilize to ensure the integrity of the UCCP including:

- Making maximum use of other systems to which the State has access in order to verify information provided;
- Reimbursing only as the payer of last resort;
- Conducting a prepayment review of all claims prior to claims payment so as to identify potential problems. In addition, post payment auditing shall also be performed in order to identify errors (e.g., duplicative or fraudulent claims);
- Requiring provider attestation that:
  - The recipient had no other health care coverage on the date of service;
  - The provider has received no reimbursement from any other source for this claim and/or expects to receive no reimbursement from any other source;
  - The recipient is a Katrina evacuee or affected individual (as defined above); and
  - The services and/or supplies were medically necessary and within the scope of the hurricane relief effort.

Payment for services reimbursed from the pool will be in accordance with Alabama's Medicaid State plan in place on August 24, 2005, and the approved UCCP. Therefore, expenditures above the Medicaid State plan limits and the UCCP are not available for reimbursement.

The State shall adhere to the reporting requirements as specified in the Special Terms and Conditions. This includes tracking and reporting to CMS the UCCP expenditures attributable to the demonstration.

The State shall ensure that items and services provided to Hurricanes Katrina- and Rita-affected individuals and evacuees are tracked separately. This letter does not constitute an approval of expenditures for Rita-affected individuals and evacuees under the UCCP plan. Further information regarding the State's request for an amendment to cover Hurricane Rita-affected individuals and evacuees under the Hurricane Katrina Multi-State section 1115 demonstration and approved UCCP will be forthcoming under separate cover.

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Finally, in a separate communication, we will inform you of the funding available for your hurricane-related expenditures, including UCCP expenditures, as authorized by section 6201 of the Deficit Reduction Act of 2005.

If you have additional questions, please contact Ms. Jean Sheil, Director, Family and Children's Health Programs, Center for Medicaid and State Operations, at (410) 786-5647, or Ms. Cheryl Powell, Deputy Director, Division of State Waivers and Demonstrations, Family and Children's Health Programs, Center for Medicaid and State Operations, at (410) 786-8693. All provider inquiries should be directed to the State Medicaid Agency for processing. We look forward to continuing to work with you and your staff.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark McClellan", with a long horizontal flourish extending to the right.

Mark B. McClellan, M.D., Ph.D.

Enclosures